## Message Text

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**ACTION EB-07** 

INFO OCT-01 EA-06 ISO-00 STR-04 H-02 HEW-02 L-03 COME-00

TRSE-00 GSA-01 CIAE-00 INR-07 NSAE-00 /033 W

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R 010400Z AUG 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 9498

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EO 11652: NA TAGS: ETRD

SUBJECT: INDONESIAN INVOLVEMENT IN QUININE TRADE

REF: STATE 175091

- 1. EXCEPT FOR SOME PRIVATE SMALLHOLDERS, CINCHONA PLANTATIONS ARE GOVERNMENT OWNED. INDONESIAN LAW DOES FORBID EXPORT OF CINCHONA BARK, REQUIRING IT TO BE PROCESSED LOCALLY INTO QUININE SALT. PROCESSING AND EXPORTS ARE A MONOPOLY OF THE STATE ENTERPRISE P.T. KIMIA FARMA.
- 2. PRICE FIXING OF QUININE SALT (NOT QUINIDINE SULFATE) IS DONE NOT BY THE GOVERNMENT PER SE, BUT BY A QUININE MARKETING TEAM COMPOSED OF REPRESENTATIVES OF THE MANUFACTURERS AND THE PLANTATIONS. ACCORDING TO OUR SOURCES, THIS TEAM ACTS ON THE BASIS OF, OR ADAPTS TO, WORLD PRICES. OUR SOURCES COULD NOT COMMENT ON REFTEL INCREASE IN QUINIDINE SULFATE PRICES. THEY SAID THAT QUININE SALT PRICE HAS RECENTLY BEEN REDUCED FROM \$170 TO \$165 PER KILO F.O.B.
- 3. THERE IS NO LAW OR REGULATION ON PROCESSING THROUGH THE QUINIDINE STAGE: IN FACT THERE IS AS YET NO QUINIDINE FACTORY IN INDONESIA.
- 4. ACCORDING TO OUR INFORMANTS INDONESIA DOES NOT WORK LIMITED OFFICIAL USE

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WITH OTHER MAJOR SUPPLIERS BUT ACTS ON ITS OWN.

5. FOREGOING FRON SOURCES IN INDUSTRY AND GOVERNMENT.
DEPARTMENT MIGHT OBTAIN FURTHER INFO FROM P.T. KIMIA FARMA'S AGENTS, CENTERCHEM, IN NEW YORK.
NEWSOM

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## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: LAW, EXPORT CONTROLS, PRICE FIXING, QUININE

Control Number: n/a Copy: SINGLE Draft Date: 01 AUG 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975.IAKART09361

Document Number: 1975JAKART09361
Document Source: CORE
Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A

Film Number: D750265-0632

From: JAKARTA

Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t19750891/aaaadckk.tel Line Count: 66

Locator: TEXT ON-LINE, ON MICROFILM Office: ACTION EB

Original Classification: LIMITED OFFICIAL USE

Original Handling Restrictions: n/a
Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE

Previous Handling Restrictions: n/a Reference: 75 STATE 175091 Review Action: RELEASED, APPROVED Review Authority: GarlanWA

Review Comment: n/a Review Content Flags: Review Date: 15 JUL 2003

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <15 JUL 2003 by BoyleJA>; APPROVED <17 JUL 2003 by GarlanWA>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JÚL 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: INDONESIAN INVOLVEMENT IN QUININE TRADE

TAGS: ETRD, ID
To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006